

HOUSE BILL No. 1155

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.5-1.1-3.3.

Synopsis: Clay County jail construction funding. Allows Clay County to increase its county adjusted gross income tax rate by 0.25% to fund construction and remodeling of county correctional facilities. Provides that the tax increase expires upon payment of the bonds.

Effective: Upon passage.

Grubb, Thomas, LaPlante, Kersey

January 7, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1155

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-3.5-1.1-3.3 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: **Sec. 3.3. (a) This section applies**
4 **to a county having a population of more than twenty-six thousand**
5 **five hundred fifty (26,550) but less than twenty-seven thousand**
6 **(27,000).**
7 **(b) For purposes of this section, "county jail" includes any other**
8 **penal facility that is:**
9 **(1) located in; and**
10 **(2) operated by;**
11 **the county.**
12 **(c) The county council may, by ordinance, determine that**
13 **additional county adjusted gross income tax revenue is needed in**
14 **the county to:**
15 **(1) finance, construct, acquire, improve, renovate, or equip a**
16 **county jail and related buildings and parking facilities,**
17 **including costs related to the demolition of existing buildings**



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and the acquisition of land; and

(2) repay bonds issued or leases entered into for constructing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

(d) This subsection applies after December 31, 2003. In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (c). The tax imposed under this section may be imposed only until the later of the date on which the financing on acquisition, improvement, renovation, and equipping described in subsection (c) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (c) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (c)(2) may not exceed twenty-five (25) years.

(e) If the county council makes a determination under subsection (c), the county council may adopt a tax rate under subsection (d). The tax rate may not be imposed at a rate greater than is necessary to pay the costs of financing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

(f) The county treasurer shall establish a county jail revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(g) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may only be used for purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (c).

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1 (h) A county described in subsection (a) possesses unique
2 economic development challenges due to underemployment in
3 relation to similarly situated counties. Maintaining low property
4 tax rates is essential to economic development. The use of county
5 adjusted gross income tax revenues as provided in this chapter,
6 rather than use of property taxes, to pay any bonds issued or leases
7 entered into to finance the construction, acquisition, improvement,
8 renovation, and equipping described in subsection (c) promotes
9 that purpose.

10 (i) Notwithstanding any other law, funds accumulated from the
11 county adjusted gross income tax imposed under this section after:

12 (1) the redemption of bonds issued; or

13 (2) the final payment of lease rentals due under a lease
14 entered into under this section;

15 shall be transferred to the county general fund.

16 SECTION 2. An emergency is declared for this act.

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